

**MINUTES
REGULAR BOARD MEETING
THURSDAY, JULY 19, 2007, 9:00 A.M.**

Board Members Present at Roll Call: Rod Bolden, Gabe Corral, Charlie Havranek, Cynthia Henry, Debbie Rudd. A quorum was present. Board Members Present after Roll Call: Les Abrams. Board Members Absent: Myra Jefferson, Sarah Vetault. Resigned: Lee Ann Elliott.

Also Present at Roll Call: Debb Pearson, Executive Director; Beckie Loar, Regulatory Compliance Administrator; Dawn Walton-Lee, Assistant Attorney General.

Charlie Havranek acted as Chairperson.

The Board pledged allegiance to the flag of the United States of America.

Debbie Rudd moved that the Minutes of the June 21, 2007, Regular Board Meeting be approved. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

PUBLIC ANNOUNCEMENTS AND CALL TO PUBLIC

None.

COMPLAINT REVIEW

Review and Action Concerning 2325, Mark L. Andrews.

Respondent appeared. Debbie Rudd moved that, at Respondent's request, the matter be referred to the Office of Administrative Hearings (OAH) for formal hearing. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2399, Robert A. Christiano.

Respondent appeared. Staff summary was read. Charlie Havranek moved that the Board find Level II violations and offer Respondent a due diligence consent letter citing violations and requiring disciplinary education. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

Informal Hearing Concerning 2307, Razvan P. Silvas.

Respondent appeared, was sworn in, made statements to the Board and answered the Board=s questions. Charlie Havranek moved that the Board find Level III violations and offer Respondent a Consent Agreement and Order of Discipline citing violations and requiring probation, mentorship and disciplinary education. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Informal Hearing Concerning 2331, Robert A. Williams.

Respondent appeared, was sworn in, made statements to the Board and answered the Board=s questions. Debbie Rudd moved that the Board find Level III violations and offer Respondent a Consent Agreement and Order of Discipline citing violations and requiring probation, mentorship and disciplinary education. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2352/2353, V. Wesley Wylie.

Respondent appeared. Debbie Rudd moved that the Board accept the investigator's report. Cynthia Henry seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board find Level I violations and offer Respondent a nondisciplinary letter of concern. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2332, Patrick J. Sichmeller/2333, Lori M. Sichmeller.

Respondents appeared. Debbie Rudd moved that the Board accept the investigator's report. Cynthia Henry seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board find Level II violations and offer Respondent a due diligence consent letter citing violations and requiring disciplinary education. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2395, Roger E. Beagle, Sr.

Respondent appeared. Staff summary was read. Debbie Rudd moved that the Board find no violations and dismiss the complaint. Cynthia Henry seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2384, Peter B. Respold.

Respondent appeared. Staff summary was read. Debbie Rudd moved that the matter be referred to an investigator. Rod Bolden seconded the motion. The Board voted 4-1 in favor of the motion. Gabe Corral voted no.

Review and Action Concerning 2311/2312/2313/2314/2315, Shahab A. Mehkri.

Respondent appeared. Charlie Havranek moved that the Board accept the investigator's reports. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board invite Respondent to an informal hearing. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the Board.

Review and Action Concerning 2358, William L. Brennan.

Respondent appeared. Charlie Havranek moved that the Board accept the investigator's report. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board find Level II violations and offer Respondent a nondisciplinary letter of remedial action citing violations and requiring remedial education. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the Board.

Review and Action Concerning 2367, Jay B. Clark.

Respondent appeared. Charlie Havranek moved that the Board accept the investigator's report. Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board find Level I violations and offer Respondent a nondisciplinary letter of concern citing violations. Debbie Rudd seconded the motion. The Board voted 4-1 in favor of the motion. Gabe Corral voted no.

Review and Action Concerning 2354, Michael G. Kummer.

Respondent appeared. Debbie Rudd moved that the Board accept the investigator's report. Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board find Level III violations and offer Respondent a Consent Agreement and Order of Discipline citing violations and requiring probation and disciplinary education. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2360, James E. Clevenger.

Respondent appeared. Debbie Rudd moved that the Board accept the investigator's report with minor exceptions. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board find Level I violations and offer Respondent a nondisciplinary letter of concern citing violations. Gabe Corral seconded the motion. The Board voted 4-1 in favor of the motion. Charlie Havranek voted no.

Review and Action Concerning 2091, Joseph E. Kaneakua.

Respondent appeared. Charlie Havranek moved that the Board accept the submitted education to comply with the required disciplinary education. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. The Board tabled the matter to allow Respondent to provide additional information.

Review and Action Concerning 2393, James D. Schofield/2394, Norman E. Chappell.

Respondents appeared. Staff summaries were read. Debbie Rudd moved that the Board find no violations and dismiss the complaints. Gabe Corral seconded the motion. The Board voted 4-1 in favor of the motion. Charlie Havranek voted no.

Les Abrams joined the meeting.

Review and Action Concerning 2403, Safa P. Sitto.

Respondent appeared. Staff summary was read. Charlie Havranek moved that the matter be referred to an investigator. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Les Abrams acted as Chairperson.

OLD BUSINESS

Discussion and Action Concerning Implementation of R4-46-207, Renewal of a License of Certificate.

Gaye Rutan appeared. Staff was instructed to place on the next Board agenda discussion concerning Board communication. The Board determined that proper legal notice was given concerning the rule amendment; however, it noted that A.R.S. § 32-3625(F) provides that a renewal applicant shall be given credit for any course of instruction either completed or enrolled in by the applicant before the rule amendment became effective.

COMPLAINT REVIEW

Review and Action Concerning Appellate Court Case 1CA-CV 05-0868 (98F-0544-BOA), Lawrence D. Bloom.

Respondent did not appear. Dawn Walton-Lee updated the Board with the status of Respondent=s appeal.

Review and Action Concerning Superior Court Case CV-06-4140 (03F-1782-BOA/03F-1784-BOA), Felicia M. Coplan.

Respondent did not appear. Dawn Walton-Lee updated the Board with the status of Respondent=s appeal.

Review and Action Concerning 2348, Paul S. Wooller.

Respondent did not appear. Debbie Rudd moved that the Board accept the investigator's report. Cynthia Henry seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board find Level II violations and offer Respondent a due diligence consent letter citing violations and requiring disciplinary education. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2357, Michael A. Herrington.

Respondent did not appear. Debbie Rudd moved that the Board accept the investigator's report. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board find Level I violations and offer Respondent a nondisciplinary letter of concern citing violations. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2302, Michael D. Schendel.

Respondent did not appear. Debbie Rudd moved that the Board accept the investigator's report with minor exceptions. Charlie Havranek seconded the motion. The Board voted 5-1 in favor of the motion. Gabe Corral voted no. Charlie Havranek moved that the Board invite Respondent to an informal hearing. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2039, Hayden L. Meier.

Respondent did not appear. Debbie Rudd moved that the Board open complaint 2448 alleging noncompliance with the 5/31/06 consent agreement and order of discipline. Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2174, Kandace L. Levi.

Respondent did not appear. Charlie Havranek moved that the Board grant Respondent a 30-day extension to complete her disciplinary education to comply with the 2/7/07 due diligence consent letter. Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2215, John K. Senerchia.

Respondent did not appear. Charlie Havranek moved that the Board open complaint 2449 alleging noncompliance with the 12/28/06 Amended Consent Agreement and Order of Discipline. Cynthia Henry seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2323, Stephanie L. Pepper.

Respondent did not appear. Gabe Corral moved that the Board grant Respondent a 30-day extension to complete her disciplinary education to comply with the 5/2/07 Consent Agreement and Order of Suspension. Cynthia Henry seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2379, Michael S. Mason.

Respondent did not appear. Staff summary was read. Debbie Rudd moved that the matter be referred to investigation. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2380, Timothy J. Morris.

Respondent did not appear. Staff summary was read. Charlie Havranek moved that the matter be referred to investigation. Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2396, Iver A. Bowden.

Respondent did not appear. Staff summary was read. Debbie Rudd moved that the Board find Level I violations and offer Respondent a nondisciplinary letter of concern citing violations. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2397, Mark A. Heitzinger.

Respondent did not appear. Staff summary was read. Debbie Rudd moved that the Board find no violations and dismiss the complaint. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2398, Casey S. Wright.

Respondent did not appear. Staff summary was read. Charlie Havranek moved that the Board find no violations and dismiss the complaint. The motion failed for the lack of a second. Debbie Rudd moved that the Board find Level I violations and offer Respondent a nondisciplinary letter of concern citing violations. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2400, David L. Nickol.

Respondent did not appear. Staff summary was read. Charlie Havranek moved that the Board find no violations and dismiss the complaint. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2401/2402, Richard L. Litton.

Respondent did not appear. Staff summaries were read. Charlie Havranek moved that the Board find no violations and dismiss 2401. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board find no violations and dismiss 2402. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2404, Brian D. Coup.

Respondent did not appear. Staff summary was read. Debbie Rudd moved that the Board find Level III violations and offer Respondent a Consent Agreement and Order of Discipline citing violations and requiring probation and disciplinary education. Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action Concerning 2406, Brian A. Friedman.

Respondent did not appear. Staff summary was read. Charlie Havranek moved that the Board find no violations and dismiss the complaint. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion.

The Board noted that there were no 12-month reviews.

APPRAISAL TESTING AND EDUCATION COMMITTEE REPORT

Debbie Rudd moved that the Board accept the Committee's recommendations (see attached). Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion. The Board tabled discussion and possible action concerning remedial and disciplinary education to allow the Committee to complete its recommendations.

BOARD CHAIRPERSON REPORT

Les Abrams reported that SB1291 was signed by the Governor on July 2, 2007, with an emergency clause making it effective immediately. He also reported that the website is still in the revision stages and that staff has been instructed to research potential data base upgrades.

COMPLAINT FILE REVIEW

Review and Action Concerning Issues Dealing With Formal Hearing Regarding 07F-2177-BOA, Lucille DeMarco.

Respondent did not appear. Dawn Walton-Lee, Assistant Attorney General, represented the State of Arizona. Christopher Munns, Assistant Attorney General, Solicitor General's office, advised the Board. The Board, having reviewed the record, heard oral argument on behalf of the State and considered written argument on behalf of Respondent. Debbie Rudd moved that the Board accept Findings of Fact 1-13 of the Administrative Law Judge with modifications requested by the State to correct typographical errors, to read as follows:

FINDINGS OF FACT

1. The Arizona State Board of Appraisal (the "Board") is the duly constituted authority for licensing and regulating the practice of appraisal in the State of Arizona.
2. Respondent Lucille DeMarco holds license No. 11366 for the practice of residential appraisal in the State of Arizona. The classification under which Ms. DeMarco is licensed is defined as "those persons meeting the requirements for licensing relating to appraisal or appraisal review of noncomplex one to four residential units having a value of less than one million dollars and complex one to four residential units having a value of less than two hundred fifty thousand dollars." See A.R.S. § 32-3612(A)(3).
3. On February 17, 2006, Ms. DeMarco issued an appraisal (the "Appraisal") for a property located at 5700 McDonald Drive in Paradise Valley, Arizona (the "Property"). The Appraisal was effective as of February 14, 2006, and was directed to NFS Loans in Irvine, California. See Exhibit 1.
4. Pursuant to the Appraisal, Ms. DeMarco estimated the market value of the Property as of February 14, 2006 to be \$5,000,000.00. See Exhibit 1.

5. On April 26, 2006, the Board received an anonymous complaint alleging that Ms. DeMarco had acted outside of the limits of her license and further that she had committed multiple factual errors and had violated the Uniform Standards of Professional Appraisal Practice ("USPAP"). See Exhibit 1.

6. On August 15, 2006, the Board engaged Ms. Pat Thoms to conduct an investigation into the allegations of the complaint against Ms. DeMarco. Over the next two weeks, Ms. Thoms conducted her investigation. On September 1, 2006, Ms. Thoms issued a written investigative report. See Exhibit 3.

7. At its February 15, 2007, meeting, the Board considered Ms. DeMarco's case. Ms. DeMarco appeared at that meeting, presented statements on her own behalf, and responded to questions from the Board. See Exhibit 4.

8. On May 10, 2007, the Board issued a Complaint and Notice of Public Hearing pursuant to which the Board alleged that Ms. DeMarco had violated A.R.S. §§ 32-3612, 32-3631(A)(6), and 32-3631(A)(7), and that such violations constituted grounds upon which the Board could take disciplinary action against Ms. DeMarco's license in accordance with A.R.S. § 32-3632(B). The Administrative Law Judge addresses each of the Board's allegations in the Conclusions of Law, below.

9. The Board's Complaint and Notice of Public Hearing advised Ms. DeMarco that the hearing in this matter would convene on June 14, 2007 at the Office of Administrative Hearings in Phoenix, Arizona. The Board sent a copy of the Complaint and Notice of Hearing to Ms. DeMarco at her address in Apple Valley, Minnesota by regular and by certified mail, return receipt requested.

10. Ms. DeMarco did not appear at hearing, nor did she contact the Office of Administrative Hearings to state any reason for her absence. When Ms. DeMarco continued in her failure to appear after the expiration of a fifteen minute grace period, the Administrative Law Judge convened the hearing and proceeded in Ms. DeMarco's absence.

11. The evidence presented at hearing, consisting of Ms. Thoms' testimony and five exhibits submitted by the State, demonstrated the following:

a. The Appraisal pertained to a complex property.

b. The Appraisal fails to analyze the fact that the Property had been listed for \$3.5 million, and appears to give credit to a \$6 million contract price. A reasonable appraiser would have questioned why a property had been the subject of such a significant increase in the listing price, and the failure to have included the information regarding the prior listing rendered the Appraisal misleading.

c. The Appraisal did not show any previous sale of the Property within the previous three years; however, according to NetValueCentral, the Property had been sold on September 3, 2004 for \$1.6 million.

d. The Appraisal contains errors with regard to the subject's address and the existence of homeowner's association dues.

e. The Appraisal contains errors with regard to its use of comparable properties, including failure to support large location and site adjustments, failure to adjust for the presence of guest houses on two of the comparable properties, and failure to comment on and adjust for significant age differences.

f. The Appraisal's cost approach figures (approximately \$500.00 per square foot) are not supported by Marshall Swift (a commonly used data source that provides cost data for different regions).

g. The Appraisal does not include an estimate of reasonable exposure time (that is, the amount of time a property remains on the market).

h. The Appraisal estimates the market value of the site at \$3 million (*i.e.*, more than half the value of the Property) without sufficient or adequate documentation.

i. The Property is 34 years old; the Appraisal unreasonably applies an effective age of five years to the Property and total accrued depreciation of 2.08%.

j. The Appraisal "falls short of summarizing sufficient information to permit the reader to follow the Appraiser's reasoning leading to market value opinion." See Exhibit 3, at 15.

12. Because Ms. DeMarco did not appear at the hearing, she did not present any evidence to controvert or mitigate the evidence presented by the State.

13. At the conclusion of the hearing, the State requested, based upon all of the evidence and the totality of the circumstances, that Ms. DeMarco's license be revoked.

Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board accept Conclusions of Law 1-10 of the Administrative Law Judge, to read as follows:

CONCLUSIONS OF LAW

1. In this proceeding, the State bears the burden to prove, by a preponderance of the evidence, that Ms. DeMarco violated A.R.S. §§ 32-3612, 32-3631(A)(6) and/or 32-3631(A)(7), and that her license is subject to disciplinary action. See Arizona Administrative Code R2-19-119.

2. A preponderance of the evidence is "such proof as convinces the trier of fact that the contention is more probably true and not." Morris K. Udall, Arizona Law of Evidence § 5 (1960).

3. The State sustained its burden of proof as to each of the allegations set forth in its Complaint and Notice of Public Hearing

4. A.R.S. § 32-3612 provides, in pertinent part:

A. The following classifications of state licensed real estate appraisers and state certified real estate appraisers are established:

1. State certified general real estate appraisers consisting of those persons meeting the requirements for certification relating to the appraisal or appraisal review of all types of real property.

2. State certified residential real estate appraisers consisting of those persons meeting the requirements for certification relating to the appraisal or appraisal review of one to four residential units without regard to value or complexity.

3. State licensed real estate appraisers consisting of those persons meeting the requirements for licensing relating to appraisal or appraisal review of noncomplex one to four residential units having a value of less than two hundred fifty thousand dollars.

5. Ms. DeMarco's license is limited to those properties defined under A.R.S. § 32-3612(A)(3). Ms. DeMarco exceeded the scope of her licensure in performing the appraisal at issue herein in that such appraisal pertained to a complex property having a value in excess of \$250,000.00.

6. A.R.S. § 32-3631(A)(6) and (A)(7) provide:

A. The rights of an applicant or holder under a license or certificate as a state licensed or state certified appraiser may be revoked or suspended or the holder of the license or certificate may otherwise be disciplined in accordance with this chapter and any of the grounds set forth in this section. The board may investigate the actions of a state licensed or state certified appraiser and may revoke or suspend the rights of a license or certificate holder or otherwise discipline a state licensed or state certified appraiser for any of the following acts or omissions:

* * *

6. Violation of any of the standards of the development or communication of appraisals as provided in this chapter.

7. Negligence or incompetence in developing an appraisal, in preparing an appraisal report or in communicating an appraisal.

7. The standards of practice applicable to Ms. DeMarco's conduct are those codified in the 2005 version of the USPAP. See A.A.C. R4-46-401 (as in effect at the relevant time).

8. By her conduct, Ms. DeMarco violated USPAP Standards Rule 1-1(b) (failure to reference \$3.5 million list price), 1-1(c) (series of errors in report), 1-2(c)(iv) (failure to include estimate of reasonable exposure time), 1-4(a) (failure to provide competent analysis of comparable properties, 1-4(b)(i) (site value lacked adequate support), 1-4(b)(ii) (no basis for replacement cost), 1-4(b)(iii) (unreasonable estimate of effective age and accrued depreciation), 1-5(a) (failure to analyze increase in list price from \$3.5 million to \$6 million), 1-5(b) (failure to address prior sale within three years), 2-1(a) (omissions of analysis resulted in the issuance of a misleading report, 2-2(b)(v) (failure to include estimate of reasonable exposure time), 2-2(b)(ix) (failure to provide sufficient information to allow the appraiser's reasoning leading to the market value opinion). Such violations of the applicable standards of practice constitute violations of A.R.S. § 32-3631(A)(6) and (A)(7).

9. Based on the statutory violations found herein, the Administrative Law Judge concludes that Ms. DeMarco is subject to disciplinary action.

10. The State requested that Ms. DeMarco's license be revoked pursuant to A.R.S. § 32-3631. The Administrative Law Judge concludes that Ms. DeMarco's statutory violations found herein, viewed in conjunction with the fact that she failed to appear at the hearing in this matter, compel the conclusion that Ms. DeMarco should not be permitted to hold an Arizona appraisal license and that her appraisal license should therefore be revoked.

Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion upon the following roll call vote: Les Abrams--yes; Rod Bolden--yes; Gabe Corral--yes; Charlie Havranek--yes; Cynthia Henry--yes; Debbie Rudd--yes. Charlie Havranek moved that the Board accept the Order of the Administrative Law Judge to include its standard language regarding revocation decisions, to read as follows:

ORDER OF REVOCATION

In issuing this order of discipline, the Board considers its obligations to fairly and consistently administer discipline, its burden to protect the public welfare and safety, as well as all aggravating and mitigating factors presented in the case. Based on the foregoing Findings of Fact and Conclusions of

Law, **IT IS HEREBY ORDERED:**

1. That residential appraiser license No. 11366 issued to Ms. DeMarco to practice as a Licensed Residential Appraiser be revoked as of the effective date of this Order.
2. That Ms. DeMarco shall immediately surrender her license by returning it to the Board office.
3. That Ms. DeMarco may not accept fees for or perform appraisals, appraisal reviews, consulting assignments, or any services governed by the Uniform Standards of Professional Appraisal Practice, A.R.S. § 32-3601, *et seq.*, or the rules promulgated thereunder.
4. That Ms. DeMarco is hereafter subject to the provisions of A.R.S. § 32-3638, which states that any person who is not licensed or certified as an appraiser and performs a real estate appraisal or appraisal review, or uses the designation of licensed or certified appraiser and/or provides false information to the Board is guilty of a Class 1 misdemeanor.
5. That if Ms. DeMarco reapplies for licensing or certification as an appraiser in the State of Arizona in the future, this disciplinary action may be considered as part of the substantive review of any application submitted by Respondent, pursuant to A.R.S. § 32-3611(D).
6. Pursuant to the Board's Substantive Policy Statement #1, the Board considers the violations set forth herein to amount to Level V Violations for disciplinary purposes.

RIGHT TO PETITION FOR REHEARING OR REVIEW

Respondent is hereby notified that she has the right to petition for a rehearing or review. Pursuant to A.R.S. § 41-1092.09, as amended, the petition for rehearing or review must be filed with the Board's Executive Director within 30 days after service of this Order and pursuant to A.A.C. R4-46-303, it must set forth legally sufficient reasons for granting a rehearing or review. Service of this order is effective five days after mailing. If a motion for rehearing or review is not filed, the Board's Order becomes effective 35 days after it is mailed to Respondent.

Respondent is further notified that the filing of a motion for rehearing or review is required to preserve any rights of appeal to the Superior Court.

Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion upon the following roll call vote: Les Abrams--yes; Rod Bolden--yes; Gabe Corral--yes; Charlie Havranek--yes; Cynthia Henry--yes; Debbie Rudd--yes. Review and Action Concerning Issues Dealing With Formal Hearing Regarding 07F-2270-BOA/07F-2271-BOA, Lisa D. Ammons.

Respondent did not appear. Dawn Walton-Lee, Assistant Attorney General, represented the State of Arizona. Christopher Munns, Assistant Attorney General, Solicitor General's office, advised the Board. The Board, having reviewed the record, heard oral argument on behalf of the State. Debbie Rudd moved that the Board accept Findings of Fact 1-16 of the Administrative Law Judge with modifications requested by the State to correct typographical errors, to read as follows:

FINDINGS OF FACT

1. Lisa D. Ammons ("Respondent") is the holder of Residential Real Estate Appraiser Certificate No. 20875 originally issued by the State of Arizona Board of Appraisal ("Board") on September 28, 2004.

2. Certificate No. 20875 expired on August 31, 2006, due to Respondent having failed to timely renew it.
3. A certificate holder has a 90-day grace period within which to reactivate an expired certificate.
4. Respondent's certificate was renewed on October 11, 2006, with an expiration date of August 31, 2008.
5. During the period of time from the expiration of Respondent's certificate on August 31, 2006 until it was renewed on October 11, 2006, Respondent was prohibited from performing work as a certified residential real estate appraiser.
6. On November 1, 2006, Raymond Kowantz filed with the Board a completed Real Estate Appraiser Violation Complaint against Respondent, in connection with an appraisal she performed for 111 East Elm Street, Tucson, Arizona. Board staff assigned case number 2270 to Mr. Kowantz's complaint.
7. Respondent completed a Uniform Residential Appraisal Report for the Elm Street property dated September 13, 2006, signed it and included her certified residential real estate appraiser number below her signature. Respondent listed the expiration date for her certificate as August 31, 2008.
8. Mr. Kowantz's complaint also involved a second appraisal for a property located at 934 West Farr Street, Tucson, Arizona. That complaint was numbered 2271 by Board staff.
9. Respondent completed and signed the Uniform Residential Appraiser Report on September 13, 2006 for the West Farr Street property. She utilized her certificate number and listed August 31, 2008 as the expiration date for her certificate.
10. Mr. Kowantz paid Respondent a total of \$800.00 for the two appraisals.
11. After Mr. Kowantz discovered that Respondent's certificate had expired, his company hired another certified residential real estate appraiser to appraise the properties. He requested a refund of the \$800.00 paid to Respondent for the two appraisals. Although Respondent assured Mr. Kowantz in writing that she would refund the \$800.00, she has never done so.
12. By letters dated November 15, 2006, the Board's Executive Director, Deborah G. Pearson, advised Respondent of Mr. Kowantz's complaints and requested, among other things, a response to his allegations. The Domestic Return Receipts for the certified mailings reflect that Respondent received the letters on November 16, 2006.
13. On February 8, 2007, Ms. Pearson issued a Subpoena Duces Tecum for Complaints No. 2270 and 2271. The Domestic Return Receipt for that mailing indicates that it was received by an individual at Respondent's address of record with the Board on February 14, 2007.
14. The Board subsequently issued a Complaint and Notice of Public Hearing in Complaint Nos. 2270 and 2271 and sent a copy of it to Respondent's address of record by both regular mailing and certified mailing.
15. The Board forwarded the two complaints to the Office of Administrative Hearings, an independent agency, for formal hearing.
16. The commencement of the formal hearing was delayed approximately 15 minutes to allow for the late arrival of Respondent or an attorney authorized to represent her. After the delay, the Administrative Law Judge conducted the hearing in Respondent's absence.

Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board accept Conclusions of Law 1-7 of the Administrative Law Judge, to read as follows:

CONCLUSIONS OF LAW

1. The Board has jurisdiction over Respondent and the subject matters in the two complaints.
2. Pursuant to A.R.S. § 41-1092.07(G)(2), the Board has the burden of proof in these matters. The standard of proof is preponderance of the evidence. A.A.C. R2-19-119(A).
3. In Complaint No. 2270, Respondent violated the provisions of A.R.S. § 32-3631(A)(5).
4. In Complaint No. 2271, Respondent violated the provisions of A.R.S. § 32-3631(A)(5).
5. In Complaint No. 2270, Respondent violated the provisions of A.R.S. § 32-3631(A)(8) and A.A.C. R4-46-301(A)(2)(b).
6. In Complaint No. 2271, Respondent violated the provisions of A.R.S. § 32-3631(A)(8) and A.A.C. R4-46-301(A)(2)(b).
7. Pursuant to A.R.S. § 32-3632(B), the Board may impose disciplinary action against Respondent's certificate for the above violations.

Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board accept the Order of the Administrative Law Judge to include its standard language regarding revocation decisions, to read as follows:

ORDER OF REVOCATION

In issuing this order of discipline, the Board considers its obligations to fairly and consistently administer discipline, its burden to protect the public welfare and safety, as well as all aggravating and mitigating factors presented in the case. Based on the foregoing Findings of Fact and Conclusions of Law, **IT IS HEREBY ORDERED:**

1. That residential appraiser certificate No. 20875 issued to Ms. Ammons to practice as a Certified Residential Appraiser be revoked as of the effective date of this Order.
2. That Ms. Ammons shall immediately surrender her license by returning it to the Board office.
3. That Ms. Ammons may not accept fees for or perform appraisals, appraisal reviews, consulting assignments, or any services governed by the Uniform Standards of Professional Appraisal Practice, A.R.S. § 32-3601, *et seq.*, or the rules promulgated thereunder.
4. That Ms. Ammons is hereafter subject to the provisions of A.R.S. § 32-3638, which states that any person who is not licensed or certified as an appraiser and performs a real estate appraisal or appraisal review, or uses the designation of licensed or certified appraiser and/or provides false information to the Board is guilty of a Class 1 misdemeanor.
5. That if Ms. Ammons reapplies for licensing or certification as an appraiser in the State of Arizona in the future, this disciplinary action may be considered as part of the substantive review of any application submitted by Respondent, pursuant to A.R.S. § 32-3611(D).
6. Pursuant to the Board's Substantive Policy Statement #1, the Board considers the

violations set forth herein to amount to Level V Violations for disciplinary purposes.

RIGHT TO PETITION FOR REHEARING OR REVIEW

Respondent is hereby notified that she has the right to petition for a rehearing or review. Pursuant to A.R.S. § 41-1092.09, as amended, the petition for rehearing or review must be filed with the Board's Executive Director within 30 days after service of this Order and pursuant to A.A.C. R4-46-303, it must set forth legally sufficient reasons for granting a rehearing or review. Service of this order is effective five days after mailing. If a motion for rehearing or review is not filed, the Board's Order becomes effective 35 days after it is mailed to Respondent.

Respondent is further notified that the filing of a motion for rehearing or review is required to preserve any rights of appeal to the Superior Court.

Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion upon the following roll call vote: Les Abrams--yes; Rod Bolden--yes; Gabe Corral--yes; Charlie Havranek--yes; Cynthia Henry--yes; Debbie Rudd--yes.

Review and Action Concerning Issues Dealing With Formal Hearing Regarding 07F-2324-BOA, Todd J. Stewart.

Respondent did not appear. Dawn Walton-Lee, Assistant Attorney General, represented the State of Arizona. Christopher Munns, Assistant Attorney General, Solicitor General's office, advised the Board. The Board, having reviewed the record, heard oral argument on behalf of the State. Charlie Havranek moved that because Respondent's certified residential certificate had expired, the Board rescind its referral to the Office of Administrative Hearings (OAH) and close the file to be reopened and considered if Respondent reapplies. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Chris Munns left the meeting.

EXECUTIVE DIRECTOR REPORT

Debb Pearson reported on the status of the Assistant Attorney General's assignments; advised the complaint answer dates that had been extended by staff; reported the following complaint status for calendar years 2006 and 2007:

	<u>2006</u>	<u>2007</u>	<u>2007</u>
Complaints filed	209	85	
Complaints heard by Board			264
<u>OF THOSE COMPLAINTS:</u>			
Complaints dismissed	70	36	53
Complaints referred to investigation	82	20	64
Complaints resolved with nondisciplinary letter of concern	30	3	9
Complaints resolved with nondisciplinary letter of remedial action	9	0	4
Complaints resolved with disciplinary letter of due diligence	6	0	2
Complaints resolved with probation	23	6	25
Complaints referred to informal hearing	66	5	47
Complaints referred to formal hearing	10	1	6

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Complaints resolved with suspension		6	2	3
Complaints resolved with surrender		1	0	1
Complaints resolved with revocation	1	0	1	
Complaints resolved with cease and desist letters		24	0	2

Violation Levels:

I	34	4	10
II	10	0	5
III	15	5	22
IV	3	2	4
V	9	0	1

reported on the current activities of the Arizona Mortgage Fraud Task Force; reported that the solicitation for the investigator's contract has been issued and contracts would be awarded in August; and reported that the rule and statute amendments were being reviewed to ensure that they were consistent. Staff was instructed to post to the Board's website more prominently the new rule requiring a live 7-hour USPAP update course.

APPLICATION REVIEW COMMITTEE REPORT

Debbie Rudd reported the following Arizona appraiser and property tax agent information as of July 16, 2007:

	<u>6/05</u>		<u>6/06</u>		<u>6/07</u>
Licensed Residential	841		1022		1137
Certified Residential	809		914		1020
Certified General	724		782		796
Nonresident Temporary	80	Total 2454	81	Total 2799	30 Total 2983
Property Tax Agents	281		310		258

Charlie Havranek moved that the Board approve the proposed application forms, subject to approval by the Assistant Attorney General. Rod Bolden seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board accept the Committee's recommendations (see attached). Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd moved that the Board deny Certified General Application #6817, Patricia A. Mohritz, pursuant to A.R.S. §§ 32-3614(B), 32-3615, and 32-3620. Gabe Corral seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board deny Reciprocity Certified Residential Application #6743, Jerry L. Sario, pursuant to A.R.S. §§ 32-3614, 32-3615, 32-3618 and 32-3620 and to comply with the Appraisal Subcommittee's Policy Statements. Les Abrams seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Board find Reciprocity Certified Residential Application #6816, Douglas L. Crinklaw, Jr., substantively incomplete. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

NEW BUSINESS

Discussion and Action Concerning Reciprocal Agreement With the Colorado Board of Real Estate Appraisers and Arizona Credentials Issued Thereunder.

Charlie Havranek moved that the Board go into Executive Session for legal advice. Cynthia Henry seconded the motion. The Board voted unanimously in favor of the motion. Upon return from Executive Session, Charlie Havranek moved that

the Board terminate its reciprocal agreement with the Colorado Board of Real Estate Appraisers. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion. Charlie Havranek moved that the Assistant Attorney General research the requirements for legal residency in Arizona and report back to the Board. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Discussion and Action Concerning Fitzpatrick Appraisal Service Team.

Charlie Havranek moved that staff correspond with Fitzpatrick Appraisal Service Team suggesting that its appraisers should review FAQ 2006 Edition, Question 30, Reduced Fee if Loan Does Not Close. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Discussion and Action Concerning Valley View Appraisal.

Debbie Rudd moved that the Board take no action. Charlie Havranek seconded the motion. The Board voted unanimously in favor of the motion.

CONFIRMATION OF MEETING DATES, TIMES, LOCATIONS AND PURPOSES

The upcoming Committee and Board meetings were scheduled as follows:

August

15	Application Review	9:00 a.m.
16	Appraisal Testing and Education	7:30 a.m.
16	Board	9:00 a.m.

ADJOURNMENT

The meeting was adjourned.

/S/

Lester G. Abrams, Chairperson

**RECOMMENDATIONS
COMMITTEE ON APPRAISAL TESTING AND EDUCATION
THURSDAY, JULY 19, 2007**

TO: Board of Appraisal

FROM: Committee on Appraisal Testing and Education

DATE: July 19, 2007

RE: July 19, 2007 Recommendations

As a result of its July 19, 2007 meeting the Committee on Appraisal Testing and Education makes the following recommendations:

I. Other Business:

- A. Discussion and possible action concerning remedial and disciplinary education courses**
- Tabled

II. Action regarding proposed approval of qualifying education courses:

A. Previously approved by the Board:

1. Submitted by **American Society of Farm Managers & Rural Appraisers**
 - a. A-113 2006 National USPAP Course, #ABA 0202-147 15 hours
*James Cannon, Chris Greenwalt, LeeAnn Moss, Mark Lewis, Scott Seely, Julie Young
Recommend approval
2. Submitted by **World Savings & Loan Association**
 - a. 2006 National USPAP, #ABA 0703-288 15 hours
*Eda Street, Michael Morten Jr.
Recommend approval

B. Not previously approved by the Board:

1. Submitted by **Arizona School of Real Estate & Business**
 - a. CR-1 Statistics, Modeling, Finance, 15 hours
*Bob Artim, Tracy Captain, Gasper Crimando, Neil Dauler-Phinney, Thomas P. Denny, Richard Fasano, Kathleen Holmes, Jared Huish, Robert Kaczmarek, Gretchen Koralewski, Roy Morris, Ron Schilling, Sanders Solot, Becky Ryan, Daniel Smith, Richard Turkian, Gerard Vick, Terry Zajac, David Ziegler
Recommend approval

- b. CR-2 Advanced Residential Applications and Case Studies, 15 hours
*Bob Artim, Tracy Captain, Gasper Crimando, Neil Dauler-Phinney, Thomas P. Denny, Richard Fasano, Kathleen Holmes, Jared Huish, Robert Kaczmarek, Gretchen Koralewski, Roy Morris, Ron Schilling, Sanders Solot, Becky Ryan, Daniel Smith, Richard Turkian, Gerard Vick, Terry Zajac, David Ziegler
Recommend approval
- c. Appraisal 104-B General Appraiser Income Approach, 30 hours
* Kathleen Holmes, Jared Huish, Gretchen Koralewski, Roy Morris, Daniel Smith, Ron Schilling, Gerard Vick, Terry Zajac
Recommend approval

III. Action regarding proposed approval of continuing education courses:

A. Previously approved by the Board:

- 1. Submitted by **American Society of Farm Managers and Rural Appraisers**
 - a. A-112 ASFMRA Code of Ethics, #ABA 0302-169 8 hours
*Mark Lewis, Cynthia Best, Paul Bierschwale, James Cannon, Dennis Hoeger, Virgil Holtgrew, Jay Luse, Scott Seely, Juliana Young
Recommend approval
 - b. 2006 National USPAP Update, #ABA 0305-400 7 hours
*James Cannon, Chris Greenwalt, Mark Lewis, LeeAnn Moss, Scott Seely, Julie Young
Recommend approval
 - c. A-29 Highest and Best Use, #ABA 0706-552 15 hours
*Howard Audsley, Arthur Clapp, John Frome, Douglas Hodge, Dennis Hoeger, John Widdoss
Recommend approval
- 2. Submitted by **Appraisal Institute**
 - a. Online Apartment Appraisal: Concepts and Applications, #ABA D0705-447 Distance Education 15 hours
*Ken Foltz
Recommend approval
- 3. Submitted by **The Beckman Company**
 - a. The Technical Inspection of Real Estate, #ABA 0801-013 20 hours
*Charles Rushmer
Recommend approval
 - b. "Understanding Home Construction", #ABA 0706-553 7 hours
*Charles Rushmer
Recommend approval
- 4. Submitted by **CLE International**
 - a. Arizona Water Law, #ABA 0705-464 12 hours
*Patrick Cunningham, Stanley Pollack, Margaret Gallogly, Robert

Kramer, Robert Anderson, Carla Consoll, Mike English, Larry Cohen,
Lee Decker, Byron Lewis, Doug Miller, Mark McGinnis, Stanley Pollac,
William Staudemaier, Michel Van Quathem, John Weldon
Recommend approval

5. Submitted by **McKissock Appraisal School**
 - a. Appraising FHA Today, #ABA D0806-566 7 hours
Distance Education
*Alan Simmons
Recommend approval
 - b. Technology for Today's Appraiser, #ABA D0806-568 Distance Education
5 hours
*Richard McKissock
Recommend approval
6. Submitted by **World Savings & Loan Association**
 - a. 2006 National USPAP Update, #ABA 0703-287 7 hours
*Eda Street, Michael Morton, Jr.
Recommend approval

B. Not previously approved by the Board:

1. Submitted by **Appraisal Institute**
 - a. 2007 Shared Interest Group Conference, 7 hours
*William Garber, Richard Marchitelli
Recommend approval
 - b. 2007 Washington Appraisal Summit, 7 hours
*William Garber, Fredrick Grubbe, Don Kelly
Recommend approval
2. Submitted by **Kinja, LLC**
 - a. Defining Market Value & How to Adjust for Concessions, 3 hours
*Richard Hagar
Recommend approval
 - b. The Top 20 Questions Asked of Appraisers...And How They Should Be
Answered, 3 hours
*Richard Hagar
Recommend approval

**RECOMMENDATIONS
COMMITTEE ON APPLICATION REVIEW
THURSDAY, JULY 19, 2007
9:00 A.M.**

TO: Board of Appraisal

From: Application Review Committee

Date: July 19, 2007

RE: July 18, 2007 Recommendations

As a result of its July 18, 2007 meeting the Application Review Committee makes the following recommendations:

I. Other Business:

A. Report on number of Arizona Appraisers and Property Tax Agents:

	<u>05</u>		<u>06</u>		<u>07</u>
Licensed Residential	841		1022		1137
Certified Residential	809		914		1020
Certified General	724		782		796
Nonresident Temporary	80	Total 2454	81	Total 2799	30
Property Tax Agents	281		310		258

B. To recommend approval of application forms subject to the attorney general.

C. To deny the following application:

6817 Patricia A. Mohritz

D. To refer the following applications to the full Board:

6743 Jerry L. Sario (by reciprocity)
6816 Douglas L. Crinklaw, Jr. (by reciprocity)

II. To approve the following applications as substantively complete:

A. Licensed Residential by exam unless noted otherwise

6551 James H. Asher

6672	Jared L. Smith
6727	Camille O. Gittens
6728	Jason A. Lusk
6732	Leon S. Cluff
6740	Mark R. Valentine
6760	Gilda V. Machare
6786	Ruben J. Chavez
6787	Kevin A. Mace
6791	Charles M. Nichols
6814	Rand Kaar (by reciprocity)
6826	Candace M. Felten (by reciprocity)
6827	Brad D. Templeton (by reciprocity)

B. Certified Residential by exam unless otherwise noted

6573	Priscilla J. Fellows
6718	Christian A. Meszaros
6725	Todd P. Barnhart
6759	Tamara A. Tidwell
6772	Jarrold M. Lamb
6773	Thomas A. Canale
6774	Douglas J. Cross
6775	Daniel R. McDowell
6782	Denice C. Ferrier
6783	Robert D. Stokes
6785	Brittany K. Brown
6794	Chase N. Clonts
6802	Kenneth L. Truempler
6813	Scott J. Joseph
6825	Susan A. Radford (by reciprocity)

C. Certified General by exam unless otherwise noted

6762	Todd S. Lamb
6781	Timothy J. Campbell (by reciprocity)
6789	Dwayne A. Owen
6809	Raymond K. Chase
6830	Warren N. McDonal (by reciprocity)

III. To approve the following applications as substantively complete and confirm the issuance of the following license/certification:

A. Reciprocity

1. Certified Residential

21576 Walter C. Watson

2. Certified General

31549 Bryan E. Younge
31550 Devin R. Haman

B. Nonresident Temporary

1. Certified General

TP41062 Miles Loo, Jr.
TP41063 James W. Myers
TP41064 Jimmy D. Bowman
TP41065 Blair M. Giboney
TP41066 Scott A. McCorvie

IV. To disapprove the following applications as substantively incomplete and hold until substantively complete:

6681 George E. Shosted
6733 Tori M. Silva
6780 Daniel Wesley
6796 Jay C. Lundberg
6797 Todd D. Pearson
6801 Jennette C. Picinich
6850 Robert P. Shiba (by reciprocity)

V. Applications Pending - Substantively Incomplete

6255 Seth A. McKinnon
6489 Jose Magana
6562 Barbara J. Hallbourg
6570 Douglas Mitchell
6595 Rachel I. Encinas
6617 Brent A. Hodges

6687	Michele S. Dennis
6692	Jared S. Tolson
6713	Robin M. Meissner
6717	Suzanne Miller
6790	Mark W. Lewis (by reciprocity)

Notification of applicants with substantively incomplete applications who have not responded to the Committee's request for additional information. Pursuant to R4-46-202(D) applicants have up to a year to meet all requirements for license/certificate or applicant's file is to be closed by the Board and applicant shall reapply.